



Maryland-National Capital Homecare Association

Senate Finance Committee

March 5, 2025

Senate Bill 938 – *Fraud Prevention and Worker Protections – Prohibitions, Penalties, and Enforcement*

POSITION: OPPOSE

On behalf of the Maryland-National Capital Homecare Association (MNCHA), whose members include Medicare-certified home health agencies, private duty companies, and durable medical equipment suppliers across the State, we oppose Senate Bill 938. Senate Bill 938 makes changes to the employer/employee test under the Workplace Fraud Act, which is then applied to all businesses in the State. Among other provisions, the bill also increases penalties.

During the 2024 Session, **Senate Bill 197/House Bill 39: Residential Service Agencies - Reimbursement - Personal Assistance Services (Homecare Worker Rights Act of 2024)** passed, which specifies that the Maryland Department of Health (MDH) may reimburse a residential service agency (RSA) for personal assistance services only if the services are provided by an individual classified as an employee. This bill was negotiated between MNCHA, the unions, and other stakeholders. The bill takes effect January 1, 2026, to provide time for residential service agencies to convert from independent workers to employees. Senate Bill 938 would advance the timeline and could subject RSAs to enhanced penalties in addition to eroding the agreement that it only applies to those RSAs that participate in the Medicaid program.

In addition, MNCHA is concerned that, for RSAs that do not participate in State programs, this bill will eliminate the ability to hire workers who prefer an independent worker status and cause a shortage in the home care industry, which is already facing a shortage of healthcare workers. Maryland is facing an aging senior population that prefers to age-in-place in their communities. MNCHA is concerned that Senate Bill 938 may only exacerbate the workforce crisis. Therefore, we urge an unfavorable vote.

For More Information:

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